SUPREME COURT, U. S.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1965.

No. 1187

CRONAME, INCORPORATED,

Petitioner,

vs.

TECHNOGRAPH PRINTED CIRCUITS, LTD., AND TECHNOGRAPH PRINTED ELECTRONICS, INCORPORATED,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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April 4, 1966.

THE BLAKELY PRINTING COMPANY, CHICAGO

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Croname, Incorporated prays that a writ of certiorari issue to review the Judgment entered by the United States Court of Appeals for the Seventh Circuit on January 7, 1966 which reversed the judgment of the District Court granting summary judgment dismissing the Complaint herein.

OPINIONS BELOW.

The order of the District Court granting summary judgment was entered without opinion.

The opinion of the Court of Appeals for the Seventh Circuit, of which review is sought, is not yet reported but is reproduced herein, commencing at p. 19, *post*.

GROUNDS OF THIS COURT'S JURISDICTION.

The judgment of the Court of Appeals, of which review is sought, was entered on January 7, 1966. This Court has jurisdiction on certiorari by virtue of 28 U. S. C. § 1254 (1).

QUESTIONS PRESENTED.

(1) If a District Court grants a motion for summary judgment under Rule 56, Federal Rules of Civil Procedure, without opinion or findings of fact or conclusions of law, does that relieve the Court of Appeals from determining from the record whether the order was supported thereby?

(2) Where the patent in suit and the undisputed and clearly understandable prior art are before the court, do affidavits of opinions, without supporting factual reasons to the conclusion that the patents were not "obvious", raise any genuine issues of fact?

(3) Where patents have been fully considered and held invalid by a District Court and by a Court of Appeals after the patentee has had a full, free and untrammelled opportunity to present all pertinent facts and to be heard thereon, is the patentee entitled as a matter of right to a further trial in another circuit against a different defendant without a showing of new, different and significant evidence from that previously fully considered?

STATUTES OF LAW.

Rule 56, Federal Rules of Civil Procedure:

"• • • (b) *For Defending Party.* A party against whom a claim, counterclaim, or cross-claim is asserted or a declaratory judgment is sought may, at any time, move with or without supporting affidavits for a summary judgment in his favor as to all or any part thereof.

(c) *Motion and Proceedings Thereon.* The motion shall be served at least 10 days before the time fixed for the hearing. The adverse party prior to the date of hearing may serve opposing affidavits. The judgment sought shall be rendered if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law * * *.

(d) *Case Not Fully Adjudicated on Motion.* If on motion under this rule judgment is not rendered upon the whole case or for all the relief asked and a trial is necessary, the court at the hearing of the motion, by examining the pleadings and the evidence before it and by interrogating counsel, shall if practicable ascertain what material facts exist without substantial controversy and what material facts are actually and in good faith controverted. It shall thereupon make an order specifying the facts that appear without substantial controversy, including the extent to which the amount of damages or other relief is not in controversy, and directing such further proceedings in the action as are just. Upon the trial of the action the facts so specified shall be deemed established, and the trial shall be conducted accordingly.

(e) *Form of Affidavits; Further Testimony; Defense Required.* Supporting and opposing affidavits shall be made on personal knowledge, shall set forth such facts as would be admissible in evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein. Sworn or certified copies of all papers or parts thereof referred to in an affidavit shall be attached thereto or served therewith. The court may permit affidavits to be supplemented or opposed by depositions, answers to interrogatories, or further affidavits. When a motion for summary judgment is made and supported as provided in this rule, an adverse party may not rest upon the mere allegations or denials of his pleading, but his response, by affidavits or as otherwise provided in

this rule, must set forth specific facts showing that there is a genuine issue for trial. If he does not so respond, summary judgment, if appropriate, shall be entered against him.

"(f) * * *

(g) *Affidavits Made in Bad Faith.* Should it appear to the satisfaction of the court at any time that any of the affidavits presented pursuant to this rule are presented in bad faith or solely for the purpose of delay, the court shall forthwith order the party employing them to pay to the other party the amount of the reasonable expenses which the filing of the affidavits caused him to incur, including reasonable attorney's fees, and any offending party or attorney may be adjudged guilty of contempt."

35 U. S. C. § 102:

"A person shall be entitled to patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the in-

vention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other."

35 U. S. C. § 103:

"A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made."

STATEMENT OF THE CASE.

This is an action by respondents for infringement of three patents, all based upon a single application filed February 3, 1944 by one Paul Eisler, of London, England. All of the claims of all of the patents in suit relate to *methods* of making components of electrical circuits, commonly referred to as printed circuits.

Patent No. 2,441,960 (R. App. ff. 53a)* issued May 25, 1948 on application filed February 3, 1944. It has now expired.

Patent Re. 24,165 (R. App. ff. 53a) issued as a division of the application resulting in patent No. 2,441,960. It too has expired.

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* The parties filed separate appendices in the Court of Appeals, petitioner's Appendix being referred to hereinafter as P. App. . . . . and respondents' Appendix being referred to hereinafter as R. App. .....

Patent No. 2,706,697 (R. App. ff. 53a) also issued as a division of the application resulting in patent No. 2,441,960. Of the three patents in suit, it alone has not expired.

All three patents are founded upon a single disclosure as evidenced by the fact that two of the patents assert on their faces that they are divisions of the third or parent application.

In all three patents, the alleged invention is described at the first page of each patent in the following words:

> "A typical instance of the invention comprises the steps of preparing by any of the well-known methods of the printing art, a printing plate for printing a representation of the metal electric or magnetic conductors of the circuit component or a part of them; making an imprint by the aid of the printing plate upon a surface thereby differentiating on that surface the areas which are required to be conductive from the areas which are required to be non-conductive; and from that imprint producing the conductor by subjecting the printed surface to treatment which operates differently on the areas of the surface differentiated by the printing, thereby changing the differentiation into a differentiation of conductive and non-conductive areas.
>
> The development of the conductor from the imprint is in most cases effected by methods adapted from the printing art or analogous to the methods of the printing art, such as etching, bronzing, electrodeposition and the like."

The claims of the three patents in suit differ in words and scope, but all of the claims relate to *methods* of manufacturing components of electrical circuits, i.e., printed circuits, and none of the claims defines structure, as distinguished from method.

It would appear from the specification of each of the patents in suit that the *methods* claimed therein are ad-

mitted by the patentee to be adapted from the printing art or analogous to the methods of the printing art.

After issue was joined in this case, petitioner filed a motion for summary judgment asking a declaration of invalidity of each of the three Eisler patents in suit on the ground that they were each invalid as being anticipated by or obvious in view of 12 specified prior art references and in view of the admissions made in the Eisler patents themselves. The 12 references and the patents in suit together with their file wrappers were filed in evidence in support of the motion for summary judgment and resumés of the patents and the prior art were filed with petitioner's brief in the District Court. There was no question as to the dates or contents of this material and there was no factual dispute thereon. Petitioner asserted that there was no genuine issue as to any material fact and sought judgment on the issues of law involved.

The respondents opposed the motion argumentatively and filed 6 affidavits (R. App. 14a-52a), which petitioner contends are mere opinions and legal conclusions of the affiants, raising no genuine issue of fact.

With the patents in suit and their file wrappers, the 12 prior art references and the resumés and the affidavits before the Court, and the briefs and arguments by the parties, the District Court granted the motion for summary judgment and ordered judgment in favor of petitioner, dismissing the Complaint at respondents' cost.

The Court of Appeals reversed this judgment by the District Court on January 7, 1966, the opinion thereon appearing at page 19, *post*.

It is to review that judgment of the Court of Appeals that writ of certiorari is sought.

THE PRIOR LITIGATION IN THE FOURTH CIRCUIT.

Several years ago, respondents filed suit in the District Court of Maryland against Bendix Aviation Corporation, charging infringement of each of the three patents here in suit.

After a long trial, the District Court, on May 27, 1963, filed a very thorough and *complete opinion holding that* all three of the patents there in suit (the same three here in suit) were invalid in view of the prior art because of indefiniteness and as being anticipated and obvious in view of the prior art. The opinion by the District Court appears at 218 F. Supp. 1 through 67.

On appeal from that decision, the United States Circuit Court of Appeals for the Fourth Circuit affirmed the District Court, stating that the court was "persuaded that the patent claims are invalid for obviousness in the light of the prior art for the reasons fully disclosed in the opinion of the District Court." This decision is reported at 327 F. 2d 497. Petition for certiorari was filed by the present respondents and certiorari was denied by this Court, the memorandum opinion thereon appearing at 379 U. S. 826.

A review of the decision by the District Court in the Maryland case discloses that the case was very thoroughly tried, that the plaintiffs therein had a full, free and untrammelled opportunity to present all pertinent facts and to be heard thereon and that the case was very thoroughly considered by the district judge and affirmed by the Court of Appeals.

At the time of the Maryland decision holding the patents in suit to be invalid, the present respondents had filed a large number of suits virtually throughout the United States against some 73 or more different defendants in

16 United States District Courts (P. App. 2), charging infringement of one or more of the Eisler patents therein held invalid. None of these cases have come to trial, some have been dismissed and others are still pending, including one against the United States now pending in the Court of Claims.

REASONS FOR GRANTING THE WRIT.

1. The Court of Appeals in reversing a summary judgment because the District Court entered no findings of fact or conclusions of law in effect revises Rule 52 of the Federal Rules of Civil Procedure without authority and contrary to the rule as promulgated by the Supreme Court of the United States.

Rule 52 (a) of the Federal Rules of Civil Procedure, as defined by this Court, expressly provides that—

> "* * * findings of fact and conclusions of law are unnecessary on decisions of motions under Rules 12 or 56 * * *."

There are indeed many sound reasons why findings of fact are not only unnecessary but are likely to be undesirable or misleading in deciding a motion for summary judgment under Rule 56. The sole basis for such a decision is that there is no genuine issue as to any material fact and hence that the only issues involved are questions of law. It would be quite contrary to the spirit of the rule if the District Court were to enter findings of fact where no issues of fact are actually involved. The reviewing court can and should decide such questions of law itself upon the record before it.

It is of interest to note that on this very point the Court of Appeals for the Seventh Circuit has elsewhere stated that the District Court is not only not required by the rules to make specific findings and conclusions but that—

> "Where, as here, no genuine material factual issue is presented it would be ill-advised to make specific findings and separate conclusions. They would carry an unwarranted implication that a fact question was presented." *A R Inc.* v. *Electro-Voice, Incorporated,* 311 F. 2d 508, 513.

There was no genuine issue as to any material fact before the District Court and it would indeed have been ill-advised to have entered findings of fact which would have indicated that such issues were before it.

Yet in this case, contrary to the practice thus previously pronounced, the same Court of Appeals says in its opinion (P. 27, *post*):

> "The district court filed no supporting memorandum opinion stating its reasons for finding and holding the patents in suit to be invalid, nor did the district court make findings of fact or state conclusions of law in support of its judgment. As a consequence, we are left in the dark concerning the district court's reasons for granting summary judgment."

In fairness to the Court of Appeals, it does say in its opinion (P. 32, *post*):

> "From a practical standpoint, an affirmance of the summary judgments in this case would require, in essence, a consideration of the case de novo with an adequate treatment of the patents in suit and the prior art. This we are neither prepared nor qualified to do, given the present state of the record. Effective judicial administration dictates this should not be required of a court of appeals."

This would seem to be an excuse rather than a reason for not deciding the issues in this case.

The difficulty in considering the patents in suit and the prior art, if indeed there be any difficulty, does not seem to alter the obligation of the Court of Appeals to apply strictly Rule 56 and to affirm summary judgment if the

judgment is supported by the record. To hold otherwise is to read exceptions into Rule 56 which are not present and which were never approved by this Court. Uniformity of practice under the Federal Rules of Civil Procedure is of great importance to the expeditious disposition of civil cases in the federal courts. Issues fully litigated by other courts on the basis of the same undisputed documentary evidence certainly would seem to be most proper subject matter for summary judgment under Rule 56.

The burden on the courts by the prosecution of the same issues of patent validity in almost four score of additional cases filed by respondents involving precisely the same issues, as is the fact in this plethora of litigation, requires the remedy of summary judgment and the obligation to apply such remedy should not be avoided for the reasons stated by the Court of Appeals for the Seventh Circuit.

It has been held in the federal courts upon numerous occasions that:

> "It is the duty of the court to dismiss a patent infringement suit whenever it affirmatively appears that the patent is invalid." *Barkeij* v. *Lockheed* (C. A. 9), 210 F. 2d 1.

In performing this duty, the court, in *Indiana Gen. Corp.* v. *Lockheed Aircraft Corp.*, 249 F. Supp. 809, 812 (D. C. Cal.), very recently held that:

> "If it affirmatively appears on a motion for summary judgment that the patent is invalid, the duty to dismiss is as compelling as it would be after hearing evidence."

2. There was no reasonable basis in the record for the Court of Appeals to say that there is present in this case a genuine issue of material fact. Opinion affidavits without supporting factual reasons to the conclusion that the patents were not "obvious" does not raise any genuine issue of fact.

The respondents filed six affidavits of purported experts in opposition to petitioner's motion for summary judgment. These appear in respondents' Appendix 14a, 16a, 25a, 28a, 39a, and 50a. While these affidavits assert as opinions that the use of metal "foil" as distinguished from electro-deposition of metal was not "obvious" from the prior art, none of the affidavits assert any factual reasons in support of such opinions.

Since the patents in suit themselves state in their specifications that "etching, bronzing, electro-deposition and the like", as admittedly long known in the printing art, are full equivalents, it is submitted that subsequent opinions of "experts" to the contrary can be of no effect. Indeed, expert testimony purporting to assert conclusions as to validity or patentability is improper and impertinent. The function of expert witnesses in patent cases "is only to help the court understand what the specifications say", *Nickerson* v. *Bearfoot Sole Company* (C. A. 6), 311 F. 2d 858, 869.

As Judge Learned Hand stated for the Second Circuit Court of Appeals in *Kohn* v. *Eimer*, 265 Fed. 900, 902:

> "When the judge has understood the specifications, he cannot avoid the responsibility of deciding himself all questions of infringement and anticipation, and the testimony of experts upon these issues is inevitably a burdensome impertinence."

The affidavits filed by respondents do not raise factual issues, nor indeed do they supply any factual statements to support the conclusions of the affiants as to "obviousness" upon the very point which it was the duty of the Court to decide.

While the affidavit of Williams (R. App. 16a, 23a, 24a), for example, states the opinion that the differences between the references and the claims of the Eisler patents in suit are such that the alleged inventions of the latter would not

have been obvious in the period 1943-44 to a person skilled in the art, it completely fails to point out or identify any such differences. The same is true of the affidavit of Everitt (R. App. 39a, 49a). The only attempt to specify any such alleged differences is in the Town affidavit (R. App. ff. 28a) where, on pages 34a-36a, "shortcomings" of the references are briefed, but the supposed differences relate only to the specific articles disclosed by the references and those mentioned by Eisler and not to the methods taught by the references as against the methods of the Eisler claims.

The Court of Appeals' Opinion in this case (P. 29, *post*) does state that the Court finds ". . . that there is a genuine issue of material fact present here essential to the determination of the issues presented." But at no time in its opinion does it indicate in any way what those issues of fact are or how they may affect the issues of invalidity or obviousness as shown by the patents in suit themselves and the admitted prior art.

It is submitted that affidavits asserting merely conclusions of disagreement with the earlier opinions of courts involving these very patents are not a basis for a subsequent court to find that a genuine issue of material fact exists and thus to avoid the responsibility of deciding the questions of law directly involved.

When a patentee has had a full opportunity to present all pertinent facts and to be heard as to his patent, and the patent, after full consideration, has been held invalid by a District Court and the decision has been reviewed and affirmed by a Court of Appeals, the patentee is not entitled as a matter of right to a further trial in another circuit against a different defendant in the absence of a showing of new and different evidence not previously available and which reasonably should result in a different conclusion.

It has been stated many times that patent suits are "sui generis" and the parties involved or their particular acts do not have an important bearing upon the issue as to whether the patent in suit is a valid invention which should support a government grant of monopoly. The fact is that no matter who the parties are who are involved, the alleged invention must be tested on the basis of the prior art known or available to the public in determining whether there has been an inventive step disclosed in the patent and defined by the claims.

It is of course true that a party who has never had his day in court is not bound under the principles of *res judicata* by a decision as to the validity or infringement of a patent, and petitioner has never contended in this case that respondents are bound under principles of *res judicata* by the decision in the District Court of Maryland and the affirming opinion by the Court of Appeals for the Fourth Circuit. However, that the respondents may be bound thereby both under principles of comity and of collateral estoppel is well established.

It is not reasonable that a patentee should have a full opportunity to present all evidence available to it and a full hearing as to the validity of his patent and then, after an adverse decision, be free to sue scores of other defendants upon the same patent and upon the same evidence in the same or other jurisdictions.

It has been stated many times that "The public * * * is always impliedly * * * a third party to an infringement suit." *Williams* v. *United Shoe Machine Corp.*, 121 F. 2d 273 (C. A. 6), *affirmed* 316 U. S. 364; *Kellogg Switchboard and Supply Co.* v. *Michigan Bell Telephone Co.*, 99 F. 2d 203 (C. A. 6); *Michael Haughey* v. *Jesse Lee*, 151 U. S. 282; *Paramount Publix Corp.* v. *American Tri-Ergon Corp.*, 294 U. S. 464.

Time after time, it has been held that in a patent infringement suit it is not only the named defendant who is entitled to relief, but that also, in every infringement case, the court is obligated to relieve "the public from the asserted monopoly when there is no invention."

How can the public and its rights be protected in an infringement action if the patentee, in spite of adverse decisions and having had a full hearing as to his patent rights, is nevertheless entitled to sue another member of the public in a different jurisdiction if he disagrees with the court's decision? The rights of the public under such circumstances in the outcome of the first trial are completely meaningless and the lip service given thereto in decisions such as those cited mean nothing.

This Court has never directly decided the question here involved and it is an important question of patent law which should be considered by this Court and decided.

Petitioner is not unmindful of this Court's decision in 1935 in the case of *Triplett* v. *Lowell,* 297 U. S. 638. However, in that case, the actual question involved was whether failure to file a disclaimer as to claims held invalid in a prior suit rendered the entire patent invalid in a subsequent suit on the patent against a different defendant. This Court did state in that case that an adjudication adverse to certain of the claims of a patent does not preclude a later suit upon the same claims against a different defendant on the grounds of "res adjudicata". However, as pointed out in a recent decision about to be discussed, that pronouncement in *Triplett* v. *Lowell* was based upon earlier decisions of the Supreme Court in which the question actually presented was whether a defendant who had never had a day in court was bound by an earlier adjudication that the patent claims were valid. That principle is not at all applicable to one like the present case

where the patentee has had a full and free opportunity to present in the earlier case everything which the patentee has wished to present in support of his patent and, in the subsequent case, presents nothing new or significantly different. Moreover, in *Triplett* v. *Lowell,* no mention whatsoever was made as to the rights of the public as a *sub silentio* third party.

The question has been directly presented in the recent case of *Nickerson* v. *Pep Boys—Manny, Moe and Jack,* in the United States District Court for the District of Delaware, decided October 28, 1965, and reported at 247 F. Supp. 221.

There, the patent in suit had been held invalid against a different defendant in the Sixth Circuit, 311 F. 2d 858, *cert. den'd,* 375 U. S. 815. Subsequently, suit was brought against the new defendants in Delaware and motion for summary judgment was filed, raising the question, among others, whether the doctrine of *res judicata* by collateral estoppel did not require the court to hold the patent again invalid in view of the prior adjudication of invalidity. The court so held and in its opinion reviewed many decisions in which the question has been previously touched upon but never completely decided in the courts of appeal and in this Court in many cases. The opinion has been the subject of a number of Law Review articles. The question involved was the subject of a careful annotation and consideration in 53 *California Law Review* 38-46 in 1965.

Where both the district court and the court of appeals have considered most fully the merits of a patent and have held it to be invalid under the provisions of the patent statutes, as is true of each of the patents in suit as evidenced by the very thorough opinion of Judge Watkins reported at 218 F. Supp. 1-67 and by the opinion of the Court of Appeals for the Fourth Circuit as reported at

327 F. 2d 497 (*cert. den'd* 379 U. S. 826), such should be the end to efforts by the patentee further to assert the patent against the public.

In this case, after the decision by the Maryland Court, respondents filed suits against some 73 other defendants throughout the United States. The expense of patent litigation is of course a tremendous reason why such defendants, with full knowledge and belief that the patents are invalid, would still be willing to enter into license agreements to avoid the expense and pressure of litigation. That is not a reason which should have any appeal to a court of equity.

If a patent has been held invalid after a full trial, with full opportunity to the patentee to present all evidence he can present in favor of the patent, he ought not to have the right to sue other members of the public on the same patent unless he can present a very convincing case that he has new, different and compelling evidence which should lead to a contrary decision. Nothing of that nature has been presented here.

As all familiar with patent matters know, there is scarcely ever disputed issues of fact requiring a decision by the trial courts in such actions. There are no such questions in this case. The sole question here, as is true in most patent litigation, is whether in view of prior art (both that cited by the Patent Office Examiners and that never brought to their attention) the alleged invention of the patents in suit is new and patentable over that previously known or was not obvious to those skilled in the art in view of what was previously known in that art. Almost no kind of case lends itself better to application of the summary judgment rule than patent cases of this nature. That the subject matter may be difficult is no reason why the court should avoid a decision under the rule.

If the patent has been held invalid and the reasons therefor fully reported, the court in a subsequent case on the same patent has the benefit of such consideration and the right to agree or disagree therewith as its judgment requires.

The patentee should not, however, have the right to demand that the courts throughout the nation should rehear again, again and again the very same contentions and the very same evidence already fully presented and fully considered.

This Court should grant certiorari to determine this question once and for all, and we respectfully submit that it should be decided that a patent, once held invalid on a full and complete trial, ought not to be relitigated against a different defendant in a different circuit merely because the patentee is dissatisfied with the first result.

CONCLUSION.

This is an important case pertaining to patent law and the writ of certiorari should be granted to review the Court of Appeals' order reversing the carefully considered judgment of the District Court and, particularly so, in view of the earlier litigation in the Fourth Circuit.

Respectfully submitted,

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April 4, 1966.

APPENDIX.

IN THE UNITED STATES COURT OF APPEALS.
For the Seventh Circuit.

September Term, 1965—January Session, 1966

Nos. 15020, 15021, 15023, 15024

TECHNOGRAPH PRINTED CIRCUITS, LTD., and TECHNOGRAPH PRINTED ELECTRONICS, INCORPORATED,
Plaintiffs-Appellants,

No. 15020 v.

METHODE ELECTRONICS, INC.,
Defendant-Appellee.

TECHNOGRAPH PRINTED CIRCUITS, LTD., and TECHNOGRAPH PRINTED ELECTRONICS, INCORPORATED,
Plaintiffs-Appellants,

No. 15021 v.

GENERAL TELEPHONE & ELECTRONICS CORPORATION and AUTOMATIC ELECTRIC COMPANY,
Defendant-Appellee.

TECHNOGRAPH PRINTED CIRCUITS, LTD., and TECHNOGRAPH PRINTED ELECTRONICS, INCORPORATED,
Plaintiffs-Appellants,

No. 15023 v.

WEBCOR, INCORPORATED,
Defendant-Appellee.

TECHNOGRAPH PRINTED CIRCUITS, LTD., and TECHNOGRAPH PRINTED ELECTRONICS, INCORPORATED,
Plaintiffs-Appellants,

No. 15024 v.

CRONAME, INCORPORATED,
Defendant-Appellee.

Appeals from the United States District Court for the Northern District of Illinois, Eastern Division.

JANUARY 7, 1966

Before HASTINGS, *Chief Judge,* and KNOCH and KILEY, *Circuit Judges.*

HASTINGS, *Chief Judge.* These are parallel cases filed in the United States District Court for the Northern District of Illinois by plaintiffs charging infringement of Eisler patents No. 2,441,960 (No. 960), Reissue No. 24,165 (No. 165) and No. 2,706,697 (No. 697).

The Eisler patents in suit are generally concerned with methods of producing so-called "printed circuits" for use in the manufacture of electronic equipment. For a more detailed description of patent claims, reference is made to the opinion in *Technograph Printed Circuits, Ltd.* v. *Bendix Aviation Corp.,* D.C., D. Md., 218 F. Supp. 1 (1963).

Plaintiff Technograph Printed Circuits, Ltd., is an English company which holds legal title to the patents in suit by assignments from the inventor, Paul Eisler.

Plaintiff Technograph Printed Electronics, Incorporated, a North Carolina corporation, is the exclusive licensee under said patents with right to license others.

Plaintiff filed six infringement actions in the district court, as follows:

(1) An action against Methode Electronics, Inc., charging infringement of Nos. 960, 165 and 697. (Appeal No. 15020).

(2) An action against Admiral Corporation for infringement of No. 165. This action was settled during proceedings in the district court and is not before us on appeal.

(3) An action against General Telephone & Electronics Corporation and its subsidiary Automatic Electric Company for infringement of Nos. 165 and 697. The action was dismissed as to General Telephone for lack of per-

sonal jurisdiction and improper venue. It has continued against Automatic Electric. (Appeal No. 15021).

(4) An action against Trav-Ler Industries, Inc., for infringement of No. 165. This action became Appeal No. 15022, but has since been settled and dismissed by stipulation and is no longer before us on appeal.

(5) An action against Webcor, Incorporated for infringement of No. 165. (Appeal No. 15023).

(6) An action against Croname, Incorporated for infringement of Nos. 960, 165 and 697. (Appeal No. 15024).

Each of the remaining above named four defendants filed a motion for summary judgment, which motions were granted by the district court by a minute order, entering judgments in favor of defendants, dismissing plaintiffs' respective complaints at plaintiffs' costs.

Plaintiffs have appealed from the several judgments in Nos. 15020, 15021, 15023 and 15024, respectively.

PLAINTIFFS' OTHER LITIGATION

It appears that prior to the filing of the instant complaints in the district court, plaintiffs had filed about ten other actions charging infringement of the Eisler patents against other than the present defendants in various other jurisdictions of the United States. It also appears that at the time of the consideration of case by the district court plaintiffs had filed numerous additional similar actions against other defendants in other districts.

On May 25, 1959, plaintiffs filed an action against Bendix Aviation Corporation in the United States District Court for the District of Maryland. It charged Bendix with infringement of Nos. 960, 165 and 697.

Bendix answered, denying infringement and alleging invalidity of all three patents (and all their claims) on the grounds, *inter alia,* of anticipation, obviousness in light of the prior art; and other specific defenses as to certain of the three patents.

Following a prolonged trial, the district court, Honorable R. Dorsey Watkins, presiding, found that certain claims of the Eisler patents were invalid for a number of reasons, including invalidity in view of the prior art, and were not infringed. Judge Watkins published an extended memorandum opinion in support of his decision. *Technograph Printed Circuits, Ltd.* v. *Bendix Aviation Corp.,* 218 F. Supp. 1-67 (1963).[1]

On appeal, the Fourth Circuit affirmed per curiam, 327 F. 2d 497 (1964), cert. denied, 379 U.S. 826 (1964), stating: "After careful consideration of the record, the arguments and the briefs of counsel, we are persuaded that the patent claims are invalid for obviousness in the light of the prior art for the reasons discussed in the opinion of the District Court."

1. The nature and extent of the hearings before Judge Watkins are set out at 218 F. Supp. 8, n. 21.

PROCEEDINGS LEADING TO SUMMARY JUDGMENT

After the affirmance of the *Bendix* case by the Fourth Circuit, plaintiffs moved to consolidate the six cases then pending here in the district court. At the hearing on this motion, the district court, having been previously advised of the decision in the Maryland case, raised the question of the extent to which that decision would be controlling in the pending cases. The trial court was of the fixed opinion that counsel should find some way to test out the question. Counsel for Admiral suggested a motion for summary judgment based on the evidence in the Maryland case. Counsel for Webcor, after consulting with other lawyers persent, did not "think a summary judgment at the present time is exactly the four-square way of hitting this thing." He suggested a motion for plaintiffs to show cause why judgment should not be entered against them on invalidity. Plaintiffs objected to summary judgment stating, *inter alia,* they proposed to put in additional evidence on the question of validity. The trial court put the matter over for two weeks for counsel to act "because I think this produces a ridiculous situation."

Thereafter, at a hearing set for all pending motions, the district court stated: "Well, we are not going to spend much time on this. Somebody has had a full and complete trial in another court, and I don't know why we have to go over the whole matter again. This matter will be continued until some time in September or October, and at that time I think somebody ought to show cause why a motion should not be made here which would dispose of this matter without the necessity of a trial."[2]

2. In these proceedings, plaintiffs cited Judge Lindley's opinion in *Aghnides* v. *Holden,* 7 Cir., 226 F. 2d 949, 951 (1955), holding that though a patent had been adjudged invalid in another

Upon being advised that all defendants either had filed or were ready to file motions for summary judgment, the trial court set a hearing on such motions for a subsequent date. At the subsequent hearing, the case was taken on the papers filed by the respective parties, without oral argument. Twelve days later, summary judgment was granted.

We have set out some of the observations made by the learned trial judge, not by way of criticism, but to show his genuine concern with the state of the record as he found it and what he thought should be done about it. There is little doubt in our minds that he did "think one bite of the cherry ought to be enough" and that the Maryland decision in *Bendix* settled the matter.

We have carefully examined the four separate motions for summary judgment filed by defendants below, together with the supporting material in each case.

Methode (Appeal No. 15020) asserts (1) the claims of the three patents in suit are invalid for obviousness in light of the prior art for the reasons set out by the Maryland court in *Bendix;* (2) the claims of No. 165 are invalid for the reason that they are ambiguous, vague and indefinite; (3) the claims of No. 165 are void for double patenting over No. 960; (4) the claims of Nos. 165 and 960 are invalid as covering inoperative procedures; and (5) claim 5 in No. 697 is invalid for the omission of an indispensable step in the claimed process. The grounds

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patent infringement action against other defendants, plaintiffs cannot be deprived "of the right to show, if they can, that, as against defendants who have not previously been in court, the patent is valid and infringed." To this citation the trial court responded, "We will try to see if there isn't some way of getting around that decision by Judge Lindley. You have had your day in Court and you have been all through the courts down in Baltimore concerning this matter, and I think one bite of the cherry ought to be enough, because it is not a very big cherry."

are substantially a repetition of the holdings of the district court in *Bendix*. In addition, Methode filed an index of documentary exhibits on the motion for summary judgment consisting of the disclaimers in Eisler's British patents; no corresponding disclaimers in United States patents; reproduction of prior art patents and publications reflecting 16 United States patents, 6 British patents and one patent each from France, Germany and Russia. Methode also submitted to the trial court a brief containing counsel's summary of the teachings and meaning of the supporting material, including a number of references to the district court's opinion in *Bendix*.

The other defendants, Croname, Webcor and Automatic Electric generally limited their grounds for summary judgment to claims of invalidity on anticipation and obviousness in light of the prior art for the reasons expressed by the district court in *Bendix*. Each filed a supporting brief by counsel on the teachings of the prior art, as did Methode.

In answer and opposition to defendants' several motions for summary judgment, plaintiffs filed six affidavits all based on personal knowledge, which may be summarized as follows:

(1) Professor Everard M. Williams, head of the Department of Electrical Engineering at the Carnegie Institute of Technology, Pittsburgh, Pennsylvania. After stating his experience and professional attainments, affiant discussed the technical aspects of some of the problems involved in the methods of manufacturing electronic gear. He discussed the specifications and claims of each of the three Eisler patents and stated his findings favorable to plaintiffs' contentions. He had read the district court opinion in *Bendix* and examined the patents and publications and references referred to in that opinion (listing them) and failed to find in them a disclosure of the sub-

ject matter set forth in any claim of the Eisler patents. He found no disclosures in the cited prior art which would make the subject matter as a whole set forth in any claim of the Eisler patents obvious to a person having ordinary skill in the electrical and electronics art. He did not believe the subject matter of the patents would have been obvious to a person having ordinary skill in the electrical and electronics art. He found the differences between the processes set forth in the claims of each of the Eisler patents to be significant and important in the manufacture of electronic gear and that such differences represented the difference between success and failure in commercial manufacturing.

(2) Thomas D. Jolly, a retired vice-president of the Aluminum Company of America and an engineer. Affiant stated his experience in the manufacture of aluminum foil and its use. He stated that the section of the district court opinion in *Bendix*, reported at 218 F. Supp. at pages 38-40, entitled "Foil", containing statements that the difference between foil and metal deposited *in situ* is "semantics", and that either metallized paper and metal coatings are foil or are the equivalent of foil, "do not comport with the recognized and established meaning of the word 'foil' and are incorrect in fact."

(3) Hubert L. Shortt, president of plaintiff Technograph Printed Electronics, Inc. Affiant stated his business and manufacturing experience and the commercial success of plaintiff in licensing the use of the Eisler patents. Accumulated royalties collected to date by plaintiff were in excess of $1,500,000. He listed licensees of the Eisler patents (16 in number), including major national companies in the electronics business.

(4) George R. Town, Dean of Engineering and Director of the Engineering Experiment Station at Iowa

State University, Ames, Iowa. Affiant stated in substance the same matter set out in the affidavit of Dean Williams, *supra,* except in a more detailed manner and specifically discussed the shortcomings of 11 patents in the cited prior art. He also disputed the factual correctness of a number of statements in the district court opinion in *Bendix,* with specific references thereto.

(5) William L. Everitt, Dean of the College of Engineering, University of Illinois, Urbana, Illinois. His affidavit followed the same general pattern of those of Professor Williams and Dean Town.

(6) John C. Pitzer, retired Manager of Application Development for Industrial Products of Formica Corporation, Cincinnati, Ohio, a chemical engineer. His affidavit dealt with the use of satisfactorily bonded metal-clad laminate and is not directly relevant to the issues before us on appeal.

In reply to plaintiffs' affidavits in opposition to summary judgment, defendants filed briefs generally taking the position that plaintiffs' affidavits were conclusory in nature and did not point to new evidence; that the question of obviousness in view of the prior art was a question of law and not of fact; and that the question of invention could be decided on the basis of the documentary evidence before the court and without expert help in reading the patents.

The district court filed no supporting memorandum opinion stating its reasons for finding and holding the patents in suit to be invalid, nor did the district court make findings of fact or state conclusions of law in support of its judgment. As a consequence, we are left in the dark concerning the district court's reasons for granting summary judgment.

Under Rule 52(a), Federal Rules of Civil Procedure,

28 U.S.C.A., the trial court was not required to do so. "Findings of fact and conclusions of law are unnecessary on decisions of motions under Rules 12 or 56 * * *." Rule 52(a), *supra*. Whether good practice in a given case should dictate the contrary is a matter of policy to which we shall subsequently allude.

Defendants' several motions for summary judgment are authorized under Rule 56, Federal Rules of Civil Procedure, 28 U.S.C.A. Under Rule 56(b), defendants elected not to file supporting affidavits with their motion. They contend there was only a question of law presented by such motions.

The parties now are in general agreement that the judgment in the Maryland court in the *Bendix* case is not *res judicata* in the instant case. This was made clear in *Aghnides* v. *Holden*, 7 Cir., 226 F. 2d 949 (1955) and the authorities cited therein.

Further, it is well settled that, in a proper case, the validity of a patent may be determined by use of summary judgment. *A R Inc.* v. *Electro-Voice, Incorporated*, 7 Cir., 311 F. 2d 508, 511 (1962); *Magee* v. *Coca-Cola Company*, 7 Cir., 232 F. 2d 596, 599 (1956); *Davison Chemical Corp.* v. *Joliet Chemicals*, 7 Cir., 179 F. 2d 793, 795 (1950).

"On summary judgment the inferences to be drawn from the underlying facts contained in such materials [affidavits, exhibits and depositions] must be viewed in the light most favorable to the party opposing the motion." *United States* v. *Diebold, Inc.*, 369 U.S. 654, 655 (1962). Stated conversely, it was the duty of the district court "to resolve all doubts as to the existence of a genuine issue as to a material fact against the party moving for summary judgment." *Chesapeake & O. Ry.*

Co. v. *International Harvester Co.*, 7 Cir., 272 F. 2d 139, 142 (1959).

We find the argument of defendants that no disputed factual question is material here and that the determination of obviousness is solely a question of law in the instant case not to be well founded. In *Armour & Co.* v. *Wilson & Co.*, 7 Cir., 274 F. 2d 143, 156-157 (1960), we held that the showing made by the prior art, the nature of the improvement the patentee has made over the prior art and the element of novelty were all factual questions. Those questions of fact having been determined, the final resolution of obviousness under Sec. 103 of the Patent Act then "requires the application of the correct legal criteria *to the factual determination made by the trial court.* This calls for the exercise of a legal judgment and as such is subject to review by an appellate tribunal as a question of law." *Id.* at 156. (Emphasis added.)

One needs but to read the lengthy opinion of the district court in *Bendix, supra,* on which defendants place so much reliance, to note the sharp and bitter dispute concerning the factual determinations underlying the application of the correct legal criteria required by Sec. 103. It is true that the district court here had the *Bendix* opinion to consider, but that is a far cry from having before it the record of the testimony in that case or finding that plaintiffs have no new or additional evidence.

We find from the record before us on this appeal that there is a genuine issue of material fact present here essential to the determination of the issues presented by defendants' motions for summary judgment. The district court erred in granting summary judgment below.

In *A R Inc.* v. *Electro-Voice, Incorporated, supra,* we observe from the record that the district court filed an extensive memorandum opinion reviewing the claims of the patent in suit in comparison to the prior state of the art.

In *Davison Chemical Corp.* v. *Joliet Chemicals, supra,* the district court had before it only the pleadings, the patent in suit and its file wrapper, one prior patent, the deposition of the patentee, and two affidavits as to the status of the prior art, none of which was disputed.

In *Magee* v. *Coca-Cola Company, supra,* our court noted that plaintiffs offered no controverting evidence, thus leaving that introduced by defendants undisputed. Further, in that case, we had before us the opinion of the district court, Honorable Walter J. La Buy, reported in 17 F.R.D. 10 (1955). This opinion discloses the issue raised by motion for summary judgment was patent invalidity because of prior public use or sale. There were depositions of six witnesses, brochures, alleged anticipating patent and the patent in suit. There was an oral argument on the motion, a demonstration of the alleged infringing device and a stipulation limiting certain proof. The district court fully stated its views on the issues presented for determination. It also made this statement:

> "Rule 56 applies to patent cases and is used in those instances where the structure and mode of operation of the accused device may be readily comprehended by the court and compared with the invention described and claimed in the patent without need of technical explanation by expert witnesses. A summary judgment should not, however, be entered except where the defendant is entitled to judgment beyond all doubt, or where the evidence presented in support thereof would compel the direction of a verdict." *Id.* at 11.

We agree.

The language of Judge Lindley, speaking for our court in *Aghnides* v. *Holden,* 7 Cir., 226 F. 2d 949 (1955) is relevant and should be noted.[3]

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3. "This suit was pending at the time of our former decisions. It was against other alleged infringers who are not shown to be identified in any wise with the defendants in the former case, or in privity with them. It would seem axiomatic therefore, that the rules of *res adjudicata* do not apply and, indeed, defendants do not insist that they do. Nor can it be said that our decision in the former case is the law of this circuit to the extent that it is decisive in other cases for infringement against other defendants. Plaintiffs have a right, if they desire, to litigate as against other defendants and not until and unless it appears by the evidence submitted at the trial that it does not differ essentially from the evidence submitted in the former case, will the decision in the first case become the law of the present one. Thus, in *Triplett* v. *Lowell,* 297 U. S. 638, at pages 642-644, 56 S. Ct. 645, at page 647, 80 L. Ed. 949, the Supreme Court said: 'Neither reason nor authority supports the contention that an adjudication adverse to * * * the claims of a patent precludes another suit upon the same claims against a different defendant. While the earlier decision may by comity be given great weight in a later litigation and thus persuade the court to render a like decree, it is not *res adjudicata* and may not be pleaded as a defense. See *Mast, Foos & Co.* v. *Stover Mfg. Co.,* 177 U. S. 485, 20 S. Ct. 708, 44 L. Ed. 856; *Sanitary Refrigerator Co.* v. *Winters,* 280 U. S. 30, 35, 50 S. Ct. 9, 74 L. Ed. 147. * * * neither the rules of the common law applicable to successive litigations concerning the same subject-matter, nor the disclaimer statute, precludes relitigation of the validity of a patent claim previously held invalid in a suit against a different defendant.' It continued, 297 U. S. at page 648, 56 S. Ct. at page 650: 'The fact that the suit was brought in the same circuit where the Court of Appeals had previously held some of the claims invalid is immaterial, for the court must decide whether the issues of law and fact in the two cases are the same, and if they are not it is not bound by the earlier decision.'

"A case similar to the one before us is *Gold Seal Importers, Inc.* v. *Westerman-Rosenberg, Inc.,* 2 Cir., 133 F. 2d 192. There, by amended answer, the defendant averred that the patent had been held invalid by the Court of Appeals in the case of *Gold Seal Importers* v. *Morris White Fashions,* 2 Cir., 124 F. 2d 141, and moved for judgment on the pleadings. There, too, the district court granted the motion merely because the validity of the patent had been decided adversely to the plaintiff in the former case. The judgment was reversed. The court said, *Gold Seal Importers, Inc.* v. *Westerman-Rosenberg, Inc.,* 2 Cir., 133 F. 2d at pages

In *Hazeltine Research* v. *General Electric Co.*, 7 Cir., 183 F. 2d 3, 5-7 (1950) in reversing a summary judgment, the court took note of the technical nature of the fact question involved relative to the question of invalidity for want of invention. The court had grave doubts that there were no contested issues of material fact and resolved those doubts against the party moving for summary judgment.

Defendants here pay us a stale compliment in citing our statement in *Armour & Co.* v. *Wilson & Co.*, 274 F. 2d at 156, "The testimony relates to the use made of prior art, and the documentary and physical exhibits do not stand mute but speak for themselves." In the instant case, the patents in suit and the voluminous prior art are of such technical nature as to escape our understanding. They may "speak for themselves" but we feel the need of expert translation and interpretation, screened for us by appearance and demonstration before a trial court.

From a practical standpoint, an affirmance of the summary judgments in this case would require, in essence, a consideration of the case *de novo* with an adequate treatment of the patents in suit and the prior art. This we are neither prepared nor qualified to do, given

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192-193: '* * * obviously that decision cannot be pleaded as *res judicata* in a suit against a different infringer not in privity with Morris White Fashions. Nor is it a precedent which the district court was bound to follow, unless the evidence pertinent to the issue of validity is the same in both cases. *Smith* v. *Hall*, 301 U. S. 216, 218, 57 S. Ct. 711, 81 L. Ed. 1049; *Lektophone Corp.* v. *Miller Bros.*, D. C. Del., 37 F. 2d 580, 581; *Minerals Separation* v. *Butte & Superior Copper Co.*, D. C. Mont., 237 F. 2d 401, 402.'

"Of course it is desirable that there should be an end to litigation. But this beneficent result cannot be attained at the expense of depriving plaintiffs of the right to show, if they can, that, as against defendants who have not previously been in court, the patent is valid and infringed." *Id.* at 950-951.

the present state of the record. Effective judicial administration dictates this should not be required of a court of appeals.

In this case, we are not attempting to decide issues of fact and express no opinion on the validity of the patents in suit. We make no judgment on the validity of the opinion and holdings in the *Bendix* case in the courts of the Fourth Circuit. The *Bendix* decision may by comity be given great weight by the district court after it hears testimony in a trial of the instant case on the merits. That consideration is committed to the discretion of the trial court.

Finally, defendants strongly suggest that plaintiffs are not acting in good faith in pursuing this litigation and in filing a multitude of similar actions against other defendants in other jurisdictions. In effect, they charge plaintiffs are guilty of litigious harassment in pursuit of further license agreements.

We have assumed plaintiffs here are acting in good faith. If, on a trial on the merits, this confidence should prove to be ill-founded, it lies within the power of the district court to impose the statutory sanction of awarding attorney fees. 35 U.S.C.A. § 285. We have as little enthusiasm for unwarranted litigation as we do for improper use of summary judgment procedures in patent actions.

It is apparent that plaintiffs' prayer asking us to hold the Eisler patents valid is misplaced and cannot be considered.

For the foregoing reasons, we hold that summary judgment was improperly granted in these cases before us on appeal. The judgments below are reversed and the causes are remanded to the district court for further proceedings consistent with this opinion.

REVERSED AND REMANDED.